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**TWO FORMER BUSINESS EXECUTIVES SENTENCED ON FEDERAL CHARGES**

***Misappropriated a \$3.95 million USDA Rural Utilities Service loan***

CHARLESTON, W.Va. – Two former business associates were sentenced yesterday for their roles in connection with the fraudulent misapplication of a federal loan. Alan Michael McPeck, 63, of Parkersburg, was sentenced to three years probation by United States District Judge Thomas E. Johnston. McPeck previously pleaded guilty in June 2010 to a one-count information charging him with obstruction of justice. McPeck was the former board chairman for the now-defunct Parkersburg-based business Sequelle Communications Alliance, Inc. In 2003 and 2004, Sequelle received a \$3.95 million loan from the United States Department of Agriculture, Rural Utilities Services ("USDA RUS"). Beginning in the spring of 2005 and continuing through at least August 2005, auditors from the USDA RUS conducted a loan compliance review of Sequelle's accounting and handling of \$3.25 million in Rural Utilities Services loan funds previously disbursed to the Parkersburg business. During a loan compliance review, McPeck admitted to withholding knowledge from federal auditors regarding a substantial portion of the RUS loan funds that had been secretly used to pay Sequelle's chief executive officer's salary, an offense that was prohibited under the loan contract.

In September 2009, a federal jury convicted James Larry Hymer for his role in the loan misapplication scheme. Hymer, 41, of Worthington, Ohio, was also sentenced yesterday to four years probation and fined \$15,000 for obstruction of a federal audit. Hymer was a founding partner and chief financial officer of MentorGen, an Ohio-based software development company that served as a vendor and primary contractor to Sequelle Communications. From mid-2003 through the fall 2004, McPeck and Hymer conspired to misappropriate substantial portions of the RUS loan funds disbursed to Sequelle. Evidence at a trial revealed that in mid-April 2005, Hymer provided two financial spreadsheets to Sequelle's accountant that falsely characterized purported "expenses" paid by MentorGen in connection with the Sequelle project. False financial entries in the scheme included concealed payments of approximately \$240,000 to former Sequelle Chief Executive Officer Heidi Laughery, MentorGen's \$143,000 stock purchase in Sequelle and other material information. Laughery previously pleaded guilty to conspiracy to commit money laundering in February 2009.

The Internal Revenue Service's West Virginia Commission on Special Investigations and the United States Department of Agriculture were in charge of the investigation.

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